



PSC NEWS

Missouri Public Service Commission

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SCHEDULED SUMMER NATURAL GAS FILING

APPROVED FOR SOUTHERN MISSOURI GAS COMPANY

Jefferson City (March 27, 2002)---Natural gas customers of Southern Missouri Gas Company (SMGC) will experience a decrease in natural gas rates under a scheduled summer filing approved by the Missouri Public Service Commission. This decrease, which reflects estimated changes in the cost of natural gas for the upcoming summer season, will take effect on April 1, 2002. The summer season covers the period of April through October.

A residential customer currently pays \$0.7160 per Ccf (100 cubic feet of gas). Under this filing, the rate will drop to \$0.6410 per Ccf, a decrease of approximately 7.5 cents per Ccf. When compared to current rates, the effect of the proposed decrease on a typical residential customer's natural gas bills for the summer season is a decrease of \$23.40 or 6 percent.

Approximately 60% to 70% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. The wholesale cost of natural gas (the cost your local natural gas company must pay to its supplier for natural gas) is not regulated by the Missouri Public Service Commission. The wellhead cost of natural gas is unregulated and is primarily driven by supply and demand. The Missouri Public Service Commission does have regulatory review authority to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.

Southern Missouri Gas Company serves approximately 6,100 natural gas customers in the Missouri counties of Wright, Texas, Webster, Howell and Douglas.

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